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OBSTACLES AND SOLUTIONS IN USE OF LOCAL AND ORGANIC FOOD

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Obstacles and Solutions in Use of Local and Organic Food

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“GENUINE KNOW-HOW FROM JUVA” – A label for local products that has made a difference

Introduction

Having a label for local products was a priority for both farmers and shopkeepers in Juva and this project represents a real grass roots initiative. They had a clear reason for creating this label – they wanted to help consumers find the local products easily in the shops.

By taking this initiative they were able to implement their ideas with little bureaucracy. Apart from the municipality that contributed a small part of the necessary capital, this project has received no financial support from authorities or institutions.

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Background and project implementation

The starting point for developing the local label was the shared opinion of local shopkeepers, farmers and local government officials: local food products were not as visible in the stores as they could and should be. A local shopkeeper took the initiative and this awakened the interest of all local shopkeepers, farmers and small-scale food processors who delivered to the shops. (Even local non-food products, e.g. charcoal for grilling, are entitled to use this label.) It became a local food project. The goal was, and is, to make local food products more visible in shops by labelling them with a special price tag.

Once the problem was identified and an idea about how to solve it became apparent, the project itself started. In February 2001 an initial meeting was held. All those concerned were invited to discuss how to proceed. Local shopkeepers, farmers and the municipality were all represented. Although there had previously been some cooperation among some local actors, this meeting facilitated cooperation on a much larger scale. The costs were estimated and it was decided that they could be covered without external help. This enabled a fast process with minimum bureaucracy.

The Juva municipality had had a label, on which it presented its contact information. This was slightly modified and turned into a form more suitable for marketing. The practical aspects were taken care of by small working groups of concerned actors. Although the shopkeepers have had an important role, the first meeting was called together by a farmer. Later another farmer joined the core team. All in all there were 25-30 persons and the municipality, who wanted to participate in the project and who were also willing to invest money in it. The capital needed to cover the expenses for materials, price tags, planning and marketing was about 3000 Euros. This was covered by the farmers, processors and shopkeepers. In addition some supporting organisations

and the municipality provided small grants.

An association was formed to take care of the practical things such as printing price tags and other material. This was done in large enough amounts to avoid the need for new investments in the near future. The project moved on so fast that by Easter all actors had received a start-up package. The whole process from planning to realization only took about three months. The PR-side was also taken care of. Because the newspapers and media were interested and reported on this 'label for local products' initiative' there was no need for expensive advertising campaigns.

This label is visible because it is white instead of the normal yellow price tags. It also has a local logo. It makes it easy for shoppers to see whether a product is produced locally or comes from outside the region. It is also easy for shopkeepers to use because it does not require extra packaging. The actors themselves defined what 'local' is. Their definition allowed for some flexibility – some ingredients could come from elsewhere as long as the work input was local. This label can be used for both local as well as local organic products.

The goals of this project were to:

- create local welfare and new employment opportunities
- enhance cooperation among enterprises
- ensure better quality and valuation of one's own work
- inform the consumers
- make local products visible in local shops
- gain market access to institutional kitchens
- make use of existing distribution channels and improve product quality
- develop the ordering and supply systems

After the project had been completed successfully all parties were happy about the decision to finance everything by themselves. This guaranteed the desired result and enabled things to be done quickly and efficiently. One result of this successful project has been an interest to take part in projects initiated by others. However initiating new projects of their own has not been of immediate interest.

The implementing team also carried out a self-evaluation shortly after the label was taken in use. They concluded that the project started well and all central actors were actively involved and also covered all the costs (with the help of small grants). The project also got good publicity and the label was a success. In addition to this, they enjoyed working together and felt positive about this collaboration. Personal communication and relationships are quite important in realising such projects. New ideas came up during the project – eg they began to question municipal food services and what role local food products could play there. One of the initiators and a shopkeeper from a big national chain store felt that it had been very valuable to bring together the shopkeepers and give thought to local food – its problems and

possibilities. (Hartikainen, 2005)

Since establishing the label in 2001 some of the shops have changed hands. The most loyal use of the label has been in the shop whose shopkeeper was the initiator. He is also still working in the same position so personnel changes have not affected his contribution. At the moment there is a need to revive the issue again and remind consumers about the label.

Remaining obstacles to be overcome

So far the local farmers have not co-ordinated their supply to fit with the demand. Some form of overview in farming activities (who farms what and how much) would be useful and help farmers identify opportunities to produce products to better meet the demand of the shops. In this way it would, in principle, be possible to have a more even supply of products and to some extent coordinate so that, for example, lettuce from different farmers is ready for marketing at somewhat different times. This would, of course, mean that some farmers lose the higher profits from higher priced products in the beginning of the summer. On the other hand it would be easier to market the produce when there are not so many local competitors striving to the market at the same time. The turnover in local shops is not that much and at the moment one farmer who grows different varieties of vegetables is pretty much able to cover the demand from one shop. Other farmers see this and do not necessarily want to squeeze in. Open discussions and finding ways to collaborate could encourage more farmers to come to the local market.

The shopkeepers' view

From the shopkeepers' point of view the farmers seem to lack courage to market their own products. They should sell their products locally and not only concentrate on taking them further away. One critical question is how the local label activity can be preserved in the future. Meetings and communication as well as instructions for its use are needed. Who will take the responsibility for this?

In order to strengthen local food flows in Juva, it is necessary that 'local' as such is not understood as something that can be used to justify a higher price for a product. Rather, local is an additional value that helps consumers make a decision. Locally processed products are often seen as specialities and these do have a higher price. However, specialities are only eaten on special occasions, so everyday products with 'everyday' prices should also be available.

The local food label for Juva has now been in use for four years. What has been observed during this time? More attention needs to be given to the value of local food. It needs to be advertised more and the public better informed about the positive things that can be achieved through its use. The shops and kitchens need to develop an ordering system that is as easy as possible to use. At the moment 90 % of the

products in the shops are ordered automatically when the cashier system lets the shopkeeper know that the shelf is getting empty. The system is based on standard orders (the same order goes automatically unless there is a need to modify). At the moment, local food falls outside these ordering systems and therefore means extra work for everyone. The steady supply of the products is often uncertain. The local organic supply at the moment is mainly concentrated to vegetables and milk products, but their share is still rather small.

The farmer's view

Local food products have always been on the shelves, but now during the past five years the cooperation with the shops has been tighter and products have been in the shops steadily. The first three years was a time for learning. Now the sales in the shops have stabilized and slowly the activity is becoming more profitable. It is difficult to say why, but it seems that consumers have learned to use these products and are more and more convinced that they want to buy them steadily. Since 2001 the local label has been helping consumers to find local products. Building trust between the producer and the consumer takes time. The location and arrangement of the products in the shop also makes a big difference.

At the moment things are organised so that each farmer supplies a specific shop with local organic vegetables. The farmer usually has a given shelf in the shop and he takes care of it himself. His task is to bring products to the shop, see to it that the shelf is well stocked and remove the products that are no longer fresh. Normally all the produce is bought and the farmer gets paid on the basis of the cashier system information. The shop takes a small percentage of the sales value and the rest goes to the farmer. This system is easy for the shop because it does not have to take care of the ordering. It is also advantageous for the farmer as he can more effectively keep an eye on the quality of his products and decide the price. However it also means more work for him. To be able to do this the farm and the shop need to be geographically close to each other. A longer distance requires a good ordering system and different arrangements.

Summary

The local label from Juva is a positive example of self-organised cooperation around a clear need. All parties had a genuine interest in establishing the label. For farmers, processors and shopkeepers it meant help in marketing; for organisations and the municipality, PR and promoting the welfare in the region. A common vision about the goals, the existence of an appropriate 'contained' action that would meet these goals and the extremely low level of bureaucracy motivated people to make a commitment to the project. Motivation throughout the short implementation process remained high. Because things happened so quickly everyone remembered what was going on and saw the concrete

results of their efforts. The fast and visible results also gave a good feeling in the end. The project implementation required close cooperation for a short while, but after that the cooperation has loosened up.

The result has also been educative. The presence of the white price tags has awakened the interest of consumers who take a closer look to see what it is. The label has a short text: "Genuine know-how from Juva", which reveals that its producer is local. When a product is being shown off in the shop this way, it is possible to tell the consumer that it is something special. At the same time it is not pushy and gives room for the consumer's own decisions and choices. This is a way of promoting change and still giving free hands for everyone to choose products without making them feel guilty.

It has been practical to have a loose definition of local in this case. As seen in other cases, local can be defined in many different ways. One option would be to define local food so that also the raw materials used in the processed products are local. A tighter definition of local would also reduce the number of local products compared to the present situation. According to Vihma (2005, 72), the request for local products has the biggest effects on the retail and food processing sectors, but has not had such a strong effect on agriculture. This could encourage farmers to be more active in processing, because the result shows that the local processors are in a key position. If they use local raw materials the effect is remarkable. However, it is also important to remember the local private consumers.

The "Genuine know-how from Juva"-label has been a good way to help the consumers to find the local products in the grocery store. One problem has been that the label has been linked a little bit too much with the initiator and the shop he represents. In the long run this is not a good thing and the initiator himself is aware of this and is willing to give room others.

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